

Indonesia

The Development Challenge: Six years into a comprehensive political and economic transition, Indonesia has made significant progress in consolidating democratic reforms and processes. It has successfully converted one of the world's most centralized countries to one of the most decentralized, and has placed the country's economy back on a growth path. It is beginning to tackle terrorism.

Serious challenges remain that could derail what is still a fragile situation. The education system is in crisis. Indonesia continues to struggle with deeply entrenched legacies of authoritarian rule. Indonesia is the only major ASEAN country yet to fully recover from the 1997-1998 Asian financial crisis. Decentralization shifted responsibility for the delivery of essential human services to more than 400 local governments most of which are ill-prepared to address the challenges of planning, budgeting, and managing these services in an effective, transparent and accountable manner. More than 40 million people live in poverty with limited access to adequate health services, food, clean water and effective sanitation. An estimated 77 million people (one-third of the population) lack access to clean water. Hundreds of thousands of Indonesians continue to suffer from ethnic and religious conflict and natural disasters.

As the world's largest Muslim-majority country, Indonesia is too important to fail. The outcome of Indonesia's democratic transition has profound implications for U.S. strategic interests in fighting terrorism; preserving regional stability in Asia; strengthening democratic principles, the rule of law and respect for human rights; and expanding access for U.S. exports and investment in the fourth largest country in the world. Indonesia's importance also stems from its substantial natural resources, rich biodiversity, and strategic location across key shipping lanes linking Europe, the Middle East, and Asia. A thriving Indonesian democracy could serve as an example and inspiration to other Muslim nations with a long experience of autocratic rule.

The USAID Program: USAID's 2000-2004 assistance program to Indonesia was designed to support a transition from 1998-era crisis response initiatives to strategic interventions that establish the foundation for economic, social and political reforms. This has largely been accomplished. The next step is to provide assistance to Indonesia that will make it a more moderate, stable and productive country. USAID is embarking on a new strategic direction that will address these needs.

FY 2004 and FY 2005 funds will be used to fund ongoing and new activities that will accomplish the following:

- Strengthen decentralized local governance by consolidating the decentralization processes and Indonesia's democratic reform agenda, improving the rule of law, and elections assistance, and promote pluralism;
- Improve the delivery of basic human services by targeting integrated watershed management, municipal water supplies, sanitation, food security, family planning, child survival, maternal health and HIV/AIDS and other infectious diseases;
- Increase economic growth and job creation through assistance that will liberalize trade and investment, improve economic policies, and reform economic governance; and
- Improve the quality of education in public and private schools.

With FY 2004 funding, USAID will be the lead donor supporting transparent, inclusive and peaceful legislative and, first-ever, direct presidential elections in Indonesia.

The education program, which will be initiated and implemented with FY 2004 and FY 2005 funds, is a new one based on President Bush's announcement of an Indonesian education initiative. Program activities will prepare the children of Indonesia to be more productive members of the world economy. USAID's program will also prepare them to be effective participants in their own democratic society, while reducing extremism and intolerance in favor of democracy, respect for diversity, and resolution of societal and political differences through non-violent means. In addition, USAID/Indonesia will continue to expand

the development of public-private partnerships, including major new efforts in the Digital Freedom Initiative, use of Development Credit Authority approaches in the water sector, and a significant engagement with private sector partners in our new education program.

Other Program Elements: USAID's Office of Foreign Disaster Assistance's emergency and disaster relief activities complement USAID/Indonesia's P.L. 480 food assistance and programs related to internally displaced persons. As appropriate, USAID's democracy activities are closely integrated with State Department public diplomacy efforts. USAID will fund technical assistance and training to strengthen national and local economic institutions in partnership with other U.S. agencies including the Department of State, Department of Justice and U.S. Federal Trade Commission. USAID is implementing activities in Indonesia through global and regional programs in health, economic growth and environment. Programs previously implemented through the U.S.-Asia Environmental Partnership are being integrated into Mission programs. The State Department's East Asia and Pacific Women's Rights Initiative continues to fund anti-trafficking programs in Indonesia.

Other Donors: The United States is the second largest bilateral donor to Indonesia and the largest donor of grant assistance. Other major bilateral donors include Japan, the Netherlands, Australia, Germany, the United Kingdom, and Canada. Through flexible and responsive programming, USAID plays a leadership role among donors, most notably in elections assistance, civil society development, and decentralization. USAID works closely with the major multilateral donors including the World Bank, the Asian Development Bank, the International Monetary Fund, the European Union, and the United Nations agencies. The World Bank-chaired Consultative Group on Indonesia coordinates donor assistance to Indonesia. The United Nations-led Partnership for Governance Reform also coordinates donor interventions on civil society, corporate governance, anticorruption, decentralization, justice sector reform, and poverty reduction.

Indonesia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	35,568	31,955	34,000	32,300
Development Assistance	38,704	39,016	31,291	32,742
Economic Support Fund	50,000	59,610	49,705	70,000
PL 480 Title II	10,400	29,540	6,604	23,000
Total Program Funds	134,672	160,121	121,600	158,042

STRATEGIC OBJECTIVE SUMMARY

497-007 Democracy Reform				
DA	8,000	7,000	1,860	0
ESF	15,000	18,600	20,305	25,700
497-008 Health, Population and Nutrition				
CSH	35,568	31,955	25,450	28,300
497-009 Crisis Mitigation				
CSH	0	0	2,200	2,000
DA	4,000	4,000	1,800	2,060
ESF	12,500	12,050	3,000	4,500
497-010 Strengthening Local Government				
DA	7,451	8,050	5,050	0
ESF	7,000	5,950	8,600	15,000
497-011 Promoting Economic Growth				
DA	5,123	7,000	5,100	0
ESF	14,000	8,010	6,800	13,800
497-012 Natural Resource Management				
CSH	0	0	6,350	2,000
DA	10,500	11,966	7,481	13,682
ESF	1,500	0	0	0
497-013 Energy Sector Reform				
DA	3,630	1,000	0	0
ESF	0	0	1,000	1,000
497-XXX State Department Programs				
ESF	0	15,000	0	0
497-ZZZ Basic Education				
DA	0	0	10,000	17,000
ESF	0	0	10,000	10,000

Mission Director,
William Frej

Data Sheet

USAID Mission:	Indonesia
Program Title:	Democracy Reform
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	497-007
Proposed FY 2004 Obligation:	\$1,860,000 DA; \$20,305,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$25,700,000 ESF
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: As part of strengthening effective governance at the local level, this USAID program helps key institutions operate in a more transparent, democratic, and accountable way. USAID assistance supports the executive, legislative and judicial branches that must deliver the benefits of democracy and improved governance to the people of Indonesia. Particular attention is focused on critical reforms to combat corruption, improve the justice sector, protect human rights, and promote pluralist values. In addition, USAID is the lead donor supporting transparent, inclusive and peaceful legislative, and first-ever direct presidential elections in Indonesia in 2004.

Inputs, Outputs, Activities:

FY 2004 Program:

Consolidating Indonesia's democratic reform agenda (\$1,100,000 ESF; \$1,060,000 DA). USAID will provide technical assistance and training to the national legislature and political parties to enable them to become effective agents of democratic reform. Technical experts will work directly with legislative commissions deliberating key pieces of legislation, including bills on freedom of information and justice sector reform. Training will be provided to office-holders, youth groups, and women's groups of political parties. The training will strengthen internal democratic features of the parties, including how to make the parties more responsive, policy-driven and able to communicate directly with their constituencies. Civil society organizations will receive grants to carry out advocacy campaigns on issues critical to Indonesia's democratic reform agenda. The principal contractors are Chemonics and the American Center for International Labor Solidarity.

Strengthening the rule of law (\$1,600,000 ESF; \$800,000 DA). USAID will provide technical assistance to the Supreme Court and Government agencies through grants to local NGOs engaged on justice sector reform issues. Grants will support building "constituencies for change" among civil society and key reformers in Government, especially those interested in tackling court corruption. If sufficient political will exists, USAID will also provide technical experts to advise the Supreme Court on the implementation of its "blueprint" for sweeping reforms of the entire court system. The technical assistance offered will include monitoring the blueprint's implementation. If reform initiatives proceed, indirect technical support through NGOs will also be provided on a number of reform initiatives, including the Roadmap for the Attorney General's Office and the Integrated Justice Sector bill. USAID will also provide expert advice and comparative analysis to support the establishment of Indonesia's new constitutional court. The principal grantee is The Asia Foundation.

Elections assistance (\$6,000,000 ESF). USAID will provide non-partisan technical experts to national and local election management bodies, civil society organizations, political parties, and national and local legislatures. Training will be provided directly to 200,000 local election officials and indirectly to 3.8 million poll workers through self-study modules developed with the UNDP. Technical assistance and training will be provided to the 24 eligible political parties through 6,000 political party trainers. Training will emphasize peaceful and issue-based campaigning, and party agent monitoring. Hard copy, electronic and internet resources will be provided. Televised voter education campaigns will reach up to 80% of the

population, while print and radio campaigns will inform up to 50% of the country's 142 million electorate. USAID will fund 180,000 volunteers providing voter education and monitoring election day proceedings in 34% of the estimated 483,000 polling stations nationwide. USAID will fund an additional 20,000 monitors in a parallel vote tabulation system for early results reporting to increase confidence in the electoral process and to reduce post-election tension. Post-election training modules developed with the national legislature and local legislative associations will orient newly elected officials at the national and local level to their new duties and responsibilities. The principal contractors and grantees are The Asia Foundation, International Republican Institute, National Democratic Institute, International Foundation for Election Systems, Internews, local NGOs (Center for Elections Reforms, Yayasan SET, LP3ES, Transparency International/Indonesia).

Pluralism (\$400,000 ESF). USAID will promote tolerance, pluralism and democratic institutions and values through expansion of media programs promoting Islam and democracy. Messages of tolerance and pluralism will be seen on two new television channels, four new radio stations and two new local newspapers. Civic education curriculum strengthening assistance will be provided to 40,000 students of Muhammadiyah Universities nationwide. The principal grantees are The Asia Foundation, International Catholic Migration Commission, local NGOs (Yappika).

U.S. State Department programs (\$11,205,000 ESF): Funds will be transferred to State Department for police reform and training activities.

FY 2005 Program:

Consolidating Indonesia's democratic reform agenda (\$8,300,000 ESF). USAID technical assistance may help journalist unions, press councils, or others that work on media legislation, media law/regulation compliance, or journalist/media legal aid. USAID may support a coalition of NGOs advocating for the adoption and enforcement of an effective anti-trafficking-in-persons law. Other assistance may include: NGO advocacy or technical assistance on the justice system; the direct election of district heads and mayors; and NGO or legislator advocacy for a Freedom of Information Act.

Strengthening the rule of law (\$5,500,000 ESF). USAID assistance will be based on the emergence of sufficient political will for judicial reform. USAID will conduct an assessment on proposed reform plans and the likelihood of implementation. The assessment will facilitate discussions with courts, NGOs and other donors to determine the most effective use of resources.

Pluralism (\$400,000 ESF). USAID will continue to facilitate improved, balanced public discourse on a range of topics by supporting objective and non-inflammatory media coverage.

U.S. State Department programs (\$11,500,000 ESF): Funds will be transferred to State Department for police reform and training activities.

Performance and Results: USAID activities supported constitutional reform. The amended constitution enshrines individual rights, regional autonomy and establishes a system of checks and balances. In elections, USAID trained over 3,500 political party activists on campaign management and constituency relations. In the labor sector, a USAID partner organization won a landmark court decision ordering the Government to uphold the safety and health of migrant workers ejected from Malaysia in 2002. USAID was the lead donor on establishing an improved electoral framework meeting international standards. As a result, a series of significant laws were established including new election laws for the legislative and first-ever presidential elections. In civil society advocacy, over 13,000 NGO and labor activists and community leaders were trained in 2003. They provided key inputs to over 35 related bills or were instrumental in these bills becoming part of the legislative agenda. USAID efforts assisted leading figures and organizations promoting pluralist values. A network of radio programs broadcast pluralist messages to 40 radio stations with nationwide audiences of up to 10 million listeners. USAID assisted over 20 organizations working on issues of pluralism and tolerance, including Indonesia's two largest Muslim organizations, with a combined membership of 50 million followers.

US Financing in Thousands of Dollars

Indonesia

497-007 Democracy Reform	CSH	DA	ESF
Through September 30, 2002			
Obligations	2,601	93,635	46,382
Expenditures	2,601	87,235	28,295
Unliquidated	0	6,400	18,087
Fiscal Year 2003			
Obligations	0	7,000	18,600
Expenditures	0	6,264	18,745
Through September 30, 2003			
Obligations	2,601	100,635	64,982
Expenditures	2,601	93,499	47,040
Unliquidated	0	7,136	17,942
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	0	1,860	20,305
Total Planned Fiscal Year 2004			
Obligations	0	1,860	20,305
Proposed Fiscal Year 2005 NOA			
Obligations	0	0	25,700
Future Obligations	0	0	0
Est. Total Cost	2,601	102,495	110,987

Data Sheet

USAID Mission:	Indonesia
Program Title:	Health, Population and Nutrition
Pillar:	Global Health
Strategic Objective:	497-008
Proposed FY 2004 Obligation:	\$25,450,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$28,300,000 CSH
Year of Initial Obligation:	FY 1999
Year of Final Obligation:	FY 2005

Summary: As part of USAID's basic human services delivery program, health activities focus on maternal and neonatal care. Using evidence-based approaches that target pregnant women, newborns and children under two years of age, the health program accelerates reductions in maternal and infant mortality. It also provides assistance on strengthening public sector commitment to maternal and child health, infectious disease control and empowering women, families and communities to take responsibility for improving health. Assistance improves access, quality and sustainability of basic health services which provide for a healthy environment, such as sanitation.

Inputs, Outputs, Activities:

FY 2004 Program:

Family planning (\$6,000,000 CSH). USAID will begin to gradually phase-out its long-standing assistance in family planning as a result of the enormous success realized in Indonesia. In this initial phase, targeted technical assistance at the district and local levels will increase and sustain the demand for quality family planning services. The program will enable local networks to advocate for family planning as an essential service. Technical assistance and advocacy initiatives will increase government commitment to providing an essential health services package that includes family planning. Assistance will begin developing local and national coalitions, including existing NGOs, associations and universities and the media to advocate for family planning. By the end of 2006, it is expected that 70% of districts in Indonesia will have committed to supporting family planning as part of the basic package of services. Principal partners include Helen Keller International, JHPIEGO Corporation, Johns Hopkins University, Save the Children, and Program for Appropriate Technology in Health; Indonesian Midwives Association and the Society of Obstetricians and Gynecologists.

All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Child survival and maternal health (\$7,250,000 CSH). Working closely with local governments and service providers, USAID will enhance the capacity of local communities to protect against possible increases in the already high maternal, child, and infant mortality resulting from malnutrition, poor sanitation and risky neonatal practices. To strengthen local community health services, training will be provided to support health cadres and staff in nutrition hygiene, basic maternal and child health and the integrated management of childhood illness. USAID will build upon its successes in training village midwives to improve neonatal health practices. Through assistance that targets a combination of behavior change, community mobilization and strengthening of provider skills, USAID will begin increasing the proportion of infants exclusively breastfed while improving infant feeding practices. Technical assistance and training will promote hygiene practices by advocating a cluster of behaviors that are known to reduce diarrheal diseases, including handwashing with soap, safe storage and treatment of drinking water, and improved sanitation. Principal partners include Johns Hopkins University, Helen Keller International, Management Sciences for Health, and Macro International Inc.

HIV/AIDS and other infectious diseases (\$12,200,000 CSH). USAID will continue the expansion of HIV/AIDS prevention, tuberculosis and malaria vector control activities. HIV/AIDS activities will increase attention to prevention activities and harm reduction strategies for the mounting number of injecting drug users. USAID will expand HIV/AIDS diagnosis and treatment capacity, develop voluntary counseling and testing sites, and begin strengthening surveillance systems. USAID's HIV/AIDS efforts will begin prevention and surveillance interventions for core-transmitter and bridge populations in 10 priority geographic sites. USAID will continue to strengthen the implementation of the Directly Observed Treatment Short-Course strategy for tuberculosis in two priority provinces representing more than 70 million people, complementing the Global Fund to Fight AIDS, TB and Malaria and similar investments in other districts by other donors. Principal partners include the U.S. Naval Medical Research Unit, the Royal Netherlands Tuberculosis Association, Family Health International, and local NGOs.

As part of USAID's participation in the global effort to eradicate polio, focused assistance to the polio eradication program in Indonesia will continue. In addition, as part of the intersection between child health and HIV/AIDS, and under the auspices of the Displaced Children and Orphans Fund, a program providing support to street children, one of the most vulnerable populations of children and youth, will continue. The principal contractor is Save the Children.

FY 2005 Program:

Family planning (\$7,700,000 CSH). Efforts towards the family planning phase-out strategy will continue with an emphasis on technical assistance and advocacy initiatives that can increase government commitment to providing an essential health services package.

Child survival and maternal health (\$8,300,000 CSH). USAID may expand elements of the program that target behavior change, community mobilization and strengthening of provider skills. Increased emphasis may also be placed on technical assistance and training that promote hygiene practices that reduce diarrheal diseases.

HIV/AIDS and other infectious diseases (\$12,300,000 CSH). USAID will continue the expansion of HIV/AIDS prevention, tuberculosis and malaria control activities.

Performance and Results: From 1997 to 2003, Indonesia's total fertility rate declined from 2.78 to 2.6. In the same time period, the contraceptive prevalence rate increased from 54.7% to 56.7%. These are clear signs that Indonesian families remain committed to using modern family planning methods, even while financial hardships impact household spending. The national Vitamin A supplementation coverage exceeded expected results, achieving a rate of 82% for children aged 6-59 months. The data also demonstrates a tremendous increase in the number of births attended by health professionals. From 1997 to 2003 the national rate of attendance by health professional increased from 43.2% to 66.3%.

It is clear that the commitment of USAID, its development partners and the Indonesian government contributed to the tremendous increase in births attended by health professionals. For example, in four target districts, with a population of 7 million, USAID assistance provided training for village midwives to improve neonatal health practices. From 1997 to 2003, birth attendance in West Java increased from 30.5% to 48.6%.

In addition, a target district in West Java with a population of almost 2 million, re-allocated funds in June 2003 to improve health delivery services and pneumonia management. Concurrently, USAID activities along with Ministry of Health efforts established new drug procurement and distribution systems for national communicable disease programs. Particular emphasis was placed on the national TB Control Program. As a result, TB drug combination packs and new fixed dose combination drugs are now available in the target province.

US Financing in Thousands of Dollars

Indonesia

497-008 Health, Population and Nutrition	CSH	DA	ESF
Through September 30, 2002			
Obligations	99,612	30,719	1,000
Expenditures	54,591	24,949	0
Unliquidated	45,021	5,770	1,000
Fiscal Year 2003			
Obligations	31,955	0	0
Expenditures	44,051	5,154	0
Through September 30, 2003			
Obligations	131,567	30,719	1,000
Expenditures	98,642	30,103	0
Unliquidated	32,925	616	1,000
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	25,450	0	0
Total Planned Fiscal Year 2004			
Obligations	25,450	0	0
Proposed Fiscal Year 2005 NOA			
Obligations	28,300	0	0
Future Obligations	0	0	0
Est. Total Cost	185,317	30,719	1,000

Data Sheet

USAID Mission:	Indonesia
Program Title:	Crisis Mitigation
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	497-009
Proposed FY 2004 Obligation:	\$2,200,000 CSH; \$1,800,000 DA; \$3,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$2,000,000 CSH; \$2,060,000 DA; \$4,500,000 ESF
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY 2005

Summary: As part of USAID's basic human services delivery program, assistance will include food-for-work and food-for-training programs through U.S. NGOs to generate short-term employment and income; training interventions to raise basic health and nutritional awareness; and quick impact support for community-driven initiatives to prevent and resolve conflicts. Assistance mechanisms provide a fast, flexible way to react to dynamic conflict and crisis environments, as well as the ability to respond to recovery efforts following terrorist attacks in the country.

Inputs, Outputs, Activities:

FY 2004 Program:

Improving food security (\$1,800,000 DA; \$2,200,000 CSH). USAID will facilitate the distribution of 25,000 MTs of P.L. 480 Title II commodities to approximately 450,000 beneficiaries, including urban and rural poor and victims of natural or man-made disasters. U.S. NGO partners will manage food-for-work activities to increase food security, improve nutritional and health status, and generate temporary employment and income through small-scale community rehabilitation projects such as rural water supply systems and sanitation in urban slums. U.S. NGOs will also conduct food-for-training activities in the fields of agriculture, health, and other vocational sectors to enhance skills and expand job opportunities. To mitigate community-level conflict stemming from poverty, the presence of 1.3 million internally displaced persons (IDPs) in Indonesia, and ongoing inter-religious tension, the assistance will build local capacity to prevent conflict and promote reconciliation. Food-for-work programs will serve as a mechanism for bringing together diverse religious and ethnic groups to implement joint community improvement projects. The principal grantees are Mercy Corps, World Vision, Catholic Relief Services, CARE, and Church World Service.

Conflict prevention and response (\$3,000,000 ESF). USAID/Indonesia will direct quick impact support to help stabilize conflict situations in strategic areas of Indonesia; assist IDPs in continued collaboration with USAID's Office of Foreign Disaster Assistance (OFDA); and build Indonesian capacity to analyze and implement conflict resolution and reconciliation interventions. USAID will respond to urgent humanitarian and social infrastructure needs such as shelter, health, education, and water/sanitation. USAID will also foster economic revitalization, support media campaigns to promote public awareness and help civil society organizations facilitate the process of dialogue and reconciliation. The principal contractor is Development Alternatives, Inc.

The presence of 600,000 million IDPs throughout Indonesia is a destabilizing force and contributes to protracted conflicts. Utilizing a strong network of international and local NGO partners, USAID will assist approximately 400,000 IDPs and address IDP-driven conflicts as they arise. To encourage returns and resettlement, the program will complement OFDA humanitarian assistance by supporting livelihood enhancement activities such as income generation, agricultural inputs, and efforts to restore economic ties between communities. USAID will also foster dialogue in communities dealing with IDPs.

FY 2005 Program:

Improving food security (\$2,060,000 DA; \$2,000,000 CSH). USAID plans to use requested FY 2005 resources to fund a multi-year Development Assistance Program (DAP) which will continue the P.L. 480 food-for-work and food-for-training activities carried out by U.S. NGO partners. The DAP will allow partners to consolidate gains made to date; continue critical interventions benefiting vulnerable groups, especially children and mothers; and pursue innovative food-assisted efforts aimed at increasing access and utilization of key health and environmental services for those that remain unserved or underserved.

Conflict prevention and response (\$4,500,000 ESF). Resources will allow USAID to continue providing rapid assistance to strategic areas of Indonesia experiencing conflict or terrorism and IDPs.

Performance and Results: In 2003, USAID's P.L. 480 Title II food aid Transitional Activity Program had a direct and significant impact on the health, productivity, and social stability of vulnerable populations in urban slums and rural areas by delivering over 23,400 metric tons of commodities to more than 380,000 Indonesians.

In Jakarta, USAID provided a half million dollars of assistance to the survivors of the JW Marriott terrorist attack within one week of the tragedy. Following a public announcement by U.S. Ambassador Boyce, USAID immediately assessed key needs and implemented both direct assistance to survivors and support to critical first responders. USAID provided cash assistance to needy Indonesian victims of the bombing and obtained key data to inform further assistance. As a result, USAID is also providing support for special burn garments and critical assets for a burn unit at a hospital serving the under-privileged.

US Financing in Thousands of Dollars

Indonesia

497-009 Crisis Mitigation	CSH	DA	ESF
Through September 30, 2002			
Obligations	2,500	13,708	9,483
Expenditures	2,500	10,118	2,500
Unliquidated	0	3,590	6,983
Fiscal Year 2003			
Obligations	0	4,000	12,050
Expenditures	0	5,843	6,882
Through September 30, 2003			
Obligations	2,500	17,708	21,533
Expenditures	2,500	15,961	9,382
Unliquidated	0	1,747	12,151
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	2,200	1,800	3,000
Total Planned Fiscal Year 2004			
Obligations	2,200	1,800	3,000
Proposed Fiscal Year 2005 NOA			
Obligations	2,000	2,060	4,500
Future Obligations	0	0	0
Est. Total Cost	6,700	21,568	29,033

Data Sheet

USAID Mission:	Indonesia
Program Title:	Strengthening Local Government
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	497-010
Proposed FY 2004 Obligation:	\$5,050,000 DA; \$8,600,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$15,000,000 ESF
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: USAID continues to be the leading donor supporting decentralization and the development of effective local governments. As part of the focus on decentralized democratic governance programs, USAID assistance will work directly with local governments, legislatures and non-governmental stakeholders to make appropriate contributions to the design and implementation of service improvements. Activities focus on critical policies and capacities in financial management and greater citizen participation in decision-making processes.

Inputs, Outputs, Activities:

FY 2004 Program:

Consolidating the decentralization process (\$5,050,000 DA; \$8,600,000 ESF). USAID's assistance will be directed at building the capacity of local governments and their associations to provide services effectively at the local level. At the national level, USAID will provide technical expertise to the Ministry of Home Affairs and the Ministry of Finance to develop a sound legal and regulatory framework. Areas of particular attention will include defining obligatory functions and minimum service standards, local government financing, and financial management. Continued support to the Indonesian Rapid Decentralization Appraisals in more than 40 local governments will provide valuable qualitative analysis of the impact of decentralization on the provision of services. Training and on-site consultancies will be provided to 100 local governments throughout Indonesia on core governance processes. Experts from regional universities, local governments, provincial and central government staff, the associations of local government, and local consultants will provide training and on-site consultancies for local executive and legislative officials on performance-based budgeting and participatory planning. Workshops and on-the-job training will be directed at local governments to strengthen their financial management and member services such as advocacy, best practices, and communications. Innovations in local government management and service delivery will be transferred to other local governments through the associations and direct peer-to-peer local government exchanges. Principal contractors include International City/County Management Association, Research Triangle Institute, Urban Institute, and The Asia Foundation.

FY 2005 Program:

Consolidating the decentralization process (\$15,000,000 ESF). Increased emphasis will be placed on the ability of non-governmental organizations to advocate for increased transparency, accountability, and public services at the local level. USAID will provide technical expertise and training to local parliaments to enable them to play a full and responsible legislative role, which includes policy setting, planning, budget processes and developing local legal frameworks. USAID will train local leaders, planning staff and key officials from priority departments on core local governance processes and skills such as participatory planning, performance-based budgeting and municipal finance. Examples of recipient organizations include civil society organizations, universities, religious-based organizations, business associations, labor associations and the media.

Performance and Results: USAID is recognized as a lead donor supporting decentralization and the development of effective local government. In 2003, USAID technical assistance and training directly impacted nearly 100 Indonesian local governments.

As a result of USAID technical exchange partnerships, Indonesian cities adopted a range of innovative local government practices. For example, in Samarinda, the local government used performance budgeting and double-entry accounting to formulate its annual budget for 2003 and is now encouraging other local governments in the area to adopt this practice. In Bekasi, over 100 million person-hours of commuting time were saved by retiming the traffic light system. This also reduced pollution from emissions and saved businesses money through reduced fuel expenditure, transportation and delivery times.

In 2003, seven more failing water enterprises became profitable for the first time, bringing the total to 12 over three years. These enterprises were able to attract outside funding and add 135,000 new consumers, making a three-year total of 735,000. Tariff increases recommended and justified by USAID assistance reduced local government subsidies by more than \$2,000,000 - despite rising electricity costs.

FY 2003 highlighted the sustainability of processes and approaches developed under USAID's capacity building programs. Part of this success was the ability to embody them into legal instruments. At the national level, the Ministry of Home Affairs issued guidelines to all local governments endorsing a participatory planning approach. At the local level, 12 districts, including 4 municipalities, issued local regulations or decrees on participatory planning. Several regulations also covered participatory implementation and transparency.

US Financing in Thousands of Dollars

Indonesia

497-010 Strengthening Local Government	DA	ESF
Through September 30, 2002		
Obligations	65,911	8,500
Expenditures	56,268	1,560
Unliquidated	9,643	6,940
Fiscal Year 2003		
Obligations	8,050	5,950
Expenditures	8,437	5,965
Through September 30, 2003		
Obligations	73,961	14,450
Expenditures	64,705	7,525
Unliquidated	9,256	6,925
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	5,050	8,600
Total Planned Fiscal Year 2004		
Obligations	5,050	8,600
Proposed Fiscal Year 2005 NOA		
Obligations	0	15,000
Future Obligations	0	0
Est. Total Cost	79,011	38,050

Data Sheet

USAID Mission:	Indonesia
Program Title:	Promoting Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	497-011
Proposed FY 2004 Obligation:	\$5,100,000 DA; \$6,800,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$13,800,000 ESF
Year of Initial Obligation:	FY 1999
Year of Final Obligation:	FY 2005

Summary: USAID's economic growth program is helping Indonesia meet broad-based medium-term growth as outlined in the Government of Indonesia's (GOI) post-IMF Economic Policy Package. Priority is placed on strengthening key GOI economic governance institutions in partnership with the private sector and civil society. USAID targets investment in technical assistance, training, information communications technology and commodities. Emphasis is placed on capacity building of key economic institutions and financial safety nets (deposit insurance) to encourage a demand driven policy environment led by the private sector and supported by civil society organizations.

Inputs, Outputs, Activities:

FY 2004 Program:

Economic governance (\$335,000 DA; \$5,070,000 ESF). USAID will provide assistance for selected independent regulatory commissions (competition, energy, and telecommunications) and the Financial Transaction and Report Analysis Center. This assistance will enable Indonesia to begin putting in place a legal and regulatory framework that is transparent, effective and enforceable. Assistance aimed at counter terrorism-finance will help the GOI draft, implement and enforce its laws addressing money laundering, cyber-crime and terrorism on a jurisdiction-wide basis. USAID will fund technical assistance and training to strengthen national and local legal institutions in partnership with other U.S. agencies including the U.S. State Department, Department of Justice and the U.S. Federal Trade Commission.

Economic policy (\$1,730,000 ESF). New activities will build on past capacity building and public outreach efforts with the Secretariat of the National Parliament including its Trade and Industry and Finance sections. USAID assistance will work with private sector associations and civil society organizations to increase their active participation in economic discussions and decision-making. Innovative programs using video-conferencing and e-learning mechanisms will continue at regional universities and may be incorporated by other education initiatives. Principal contractors and grantees include Nathan Associates (prime) with the Boston Institute for Development Economics (sub), and Georgia State University.

Trade and investment (\$4,765,000 DA). USAID technical advisors will provide direct technical assistance and training to key economic ministries such as Industry and Trade, Finance, Agriculture, and National Development. Private sector and civil society organizations will be brought into demand driven policy reform dialogues on improving the trade and the investment climate, competition policy, and labor and tax policies. Policy-related activities will improve the regulatory environment for micro, small and medium enterprises. Technical assistance will increase the capacity of business development services in selected non-farm industries, and expand access to Development Credit Authority-partner financial institutions that use international best practices. Principal contractors and grantees include The Asia Foundation (prime); Nathan Associates (prime) with the Boston Institute for Development Economics (sub); Development Alternatives, Inc. (prime); Bearing Point (prime); CARE; Opportunity International; and Financial Services Volunteer Corps.

FY 2005 Program:

Economic governance (\$5,100,000 ESF). USAID will continue programs to improve Indonesia's economic laws, regulations, and institutions, particularly those related to counterterrorism-finance on a jurisdiction wide basis.

Economic policy (\$3,100,000 ESF). Assistance may be used to increase the ability of the private sector and civil society to monitor the effect of existing policies, identify weaknesses, develop positions on needed reforms, and advocate for those positions. Work in each policy area may include a mix of business and consumer associations, "think tanks," universities, and civic groups to advocate for positive reforms. Work with the private sector may also include selected interventions and partnerships that can provide "ground-truthing" for policy reforms underway.

Trade and investment (\$5,600,000 ESF). USAID technical advisors will continue to provide direct technical assistance and training to key economic ministries such as Industry and Trade, Finance, Agriculture, and National Development. Private sector and civil society organizations will be brought into demand driven policy reform dialogues on improving the trade and the investment climate, competition policy, and labor and tax policies. USAID plans to expand financial services efforts to promote non-farm economic development in partnership with the private sector by leveraging an existing Public-Private Alliance activity in Sulawesi. USAID may expand activities to stimulate private sector development through agricultural policy and technology and trade and investment assistance linked to the GOI's post-IMF program.

Performance and Results: USAID key results in 2003 helped Indonesia to do the following:

- Meet 2003 targets for asset recovery and corporate debt restructuring;
- Put into place critical amendments to laws, policies, and decrees on anti-money laundering, asset freezing, counter-terrorism, and mutual legal assistance;
- Take the important step towards getting Indonesia off the Financial Action Task Force blacklist by assisting the Financial Transaction Report and Analysis Center to enforce the law on a jurisdiction wide basis;
- Establish the Indonesian Deposit Insurance Agency;
- Assist the private sector in engaging "Team Tariff," an inter-ministerial coordinating body critical to preventing resurgent protectionism;
- Reinvigorate the Business Service Center with the Ministry of Industry and Trade for the benefit of small and medium enterprises; and
- Facilitate the legislative process that supported economic development through the Parliament's specialized commissions.

US Financing in Thousands of Dollars

Indonesia

497-011 Promoting Economic Growth	DA	ESF
Through September 30, 2002		
Obligations	66,142	34,125
Expenditures	58,450	19,307
Unliquidated	7,692	14,818
Fiscal Year 2003		
Obligations	7,000	7,968
Expenditures	8,706	12,964
Through September 30, 2003		
Obligations	73,142	42,093
Expenditures	67,156	32,271
Unliquidated	5,986	9,822
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	5,100	6,800
Total Planned Fiscal Year 2004		
Obligations	5,100	6,800
Proposed Fiscal Year 2005 NOA		
Obligations	0	13,800
Future Obligations	0	0
Est. Total Cost	78,242	62,693

Data Sheet

USAID Mission:	Indonesia
Program Title:	Natural Resource Management
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	497-012
Proposed FY 2004 Obligation:	\$6,350,000 CSH; \$7,481,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$2,000,000 CSH; \$13,682,000 DA
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY 2005

Summary: Lack of environmental regulation enforcement and rapid degradation of watershed areas has led to mounting problems in water supply, and water quality, and stressed water distribution systems. USAID's integrated Basic Human Services Delivery program will respond to President's Bush's "Water for the Poor" initiative. USAID's assistance will target the local management of Indonesia's forests, protected areas, coastal zones, and mineral resources, which have a direct impact on sustainable watershed management and municipal water supplies. Activities are linked with food and health initiatives to increase access and utilization of key health and environmental services for those who remain unserved or underserved.

Inputs, Outputs, Activities:

FY 2004 Program:

Integrated watershed management (\$5,981,000 DA). Technical experts will work with local communities throughout Indonesia to introduce sound watershed management methodologies that incorporate vital environmental services. Particular emphasis will be placed on conserving forests and biodiversity, especially in National Parks and protected areas. Technical training and assistance to local governments will strengthen their ability to implement and manage watershed policies. Examples include reforestation programs; development of financial incentives for upland watershed communities; promotion of agroforestry in areas where watershed functions are badly degraded; regulation of the impact of mines on water supply and water quality; and resolution of community land tenure and access conflicts. Principal contactors include International Resources Group, local NGO Kemala, and the U.S. Department of the Interior.

Municipal water supply and sanitation (\$6,350,000 CSH). USAID is launching a comprehensive program that will improve access to safe drinking water and sanitation services at the district and city levels. Program activities will include strengthening the capacity of municipal water utilities to operate, maintain, and expand access to safe drinking water to unserved populations. USAID will expand access to sanitation services in the same urban and peri-urban areas. These activities will be linked to financing mechanisms for municipal service delivery by improving local governments' access to domestic private capital. Linkages with the Development Credit Authority and other international donors, including the World Bank, the Japan Bank for International Cooperation, and the Asian Development Bank will be established. In addition, service delivery will be expanded through the introduction of the safe water system (point-of-use treatment of household drinking water) to Indonesia.

Orangutan habitat conservation (\$1,500,000 DA). USAID will support on-going NGO efforts to conserve orangutan habitat in Borneo and Sumatra. Recognizing that most activities to date have targeted orangutan habitat areas in Borneo, particular emphasis will be placed on identifying new areas in Sumatra where conservation efforts could positively impact the survival of viable populations of wild Sumatran orangutans. Principal contractors and grantees are World Education Inc., The Nature Conservancy, and Conservation International.

FY 2005 Program:

Integrated watershed management (\$8,305,000 DA). Technical experts will work with local communities throughout Indonesia to introduce sound watershed management methodologies that incorporate vital environmental services. Particular emphasis will be placed on conserving forests and biodiversity, especially in national parks and protected areas. Technical training and assistance to local governments will strengthen their ability to implement and manage watershed policies. Examples include reforestation programs; development of financial incentives for upland watershed communities; promotion of agroforestry in areas where watershed functions are badly degraded; regulating the impact of mines on water supply and water quality; and resolving community land tenure and access conflicts.

Municipal water supply and sanitation (\$5,377,000 DA; \$2,000,000 CSH). Over 100 local water enterprises have expressed interest in USAID assistance to improve the management and business operations of their water enterprise. As a result, increased emphasis may be placed on bolstering their capabilities to increase cost recovery, improve customer service orientation, foster the development of demand-driven service solutions, and put in place sustainable, innovative financing mechanisms.

Performance and Results: USAID assistance supported the implementation of 73 site-specific co-management plans, which placed nearly six million hectares of coastline and forest under better management and protection.

In West Kutai (Mahakam River Delta watershed), the USAID-supported District Forest Management Plan, covering 1.6 million hectares, is being implemented by the new Advisory Board, which represents government, NGOs, and the private sector. As part of the new Management Plan, the West Kutai district government stopped the issuance of small-scale logging licenses, saving tens of thousands of hectares of primary forest. USAID assisted the West Kutai government's successful application for reforestation funds from the National government. Nearly 4,000 hectares have been replanted this year.

In East Kalimantan, management of the Sungai Wain and Manggar watersheds that together provide over 90% of the freshwater supply for Balikpapan City (population: 500,000) continues to improve. The Balikpapan City Government is now taking an integrated approach to the management of these watersheds, strengthening protection of the Sungai Wain forest and reforestation through USAID-supported agroforestry projects in over 2,000 hectares surrounding the Manggar reservoir. Balikpapan has formed a public-private alliance with Pertamina, the national petroleum company, whose refinery in Balikpapan is dependent upon Sungai Wain for its processing water. Pertamina now transfers funding to the city government for 24-hour patrols of the Sungai Wain forest. Illegal logging and encroachment activities were eradicated and a provincial road that was planned to run along the edge of Sungai Wain was stopped.

US Financing in Thousands of Dollars

Indonesia

497-012 Natural Resource Management	CSH	DA	ESF
Through September 30, 2002			
Obligations	0	77,057	3,000
Expenditures	0	64,980	933
Unliquidated	0	12,077	2,067
Fiscal Year 2003			
Obligations	0	11,966	0
Expenditures	0	11,914	941
Through September 30, 2003			
Obligations	0	89,023	3,000
Expenditures	0	76,894	1,874
Unliquidated	0	12,129	1,126
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	6,350	7,481	0
Total Planned Fiscal Year 2004			
Obligations	6,350	7,481	0
Proposed Fiscal Year 2005 NOA			
Obligations	2,000	13,682	0
Future Obligations	0	0	0
Est. Total Cost	8,350	110,186	3,000

Data Sheet

USAID Mission:	Indonesia
Program Title:	Energy Sector Reform
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	497-013
Proposed FY 2004 Obligation:	\$1,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$1,000,000 ESF
Year of Initial Obligation:	FY 2000
Year of Final Obligation:	FY 2005

Summary: The energy sector is a major component of the Indonesian economy, generating nearly 30% of total Government of Indonesia (GOI) revenues. However, the sector is plagued by corruption, weak policies, monopolistic and inefficient production and distribution, and wasteful consumption. As part of an integrated economic growth program, USAID's assistance will improve the efficiency and transparency of the energy sector through technical assistance and training which accelerates implementation of legal and regulatory reforms governing the oil and gas and electricity sectors; strengthen GOI capacity to analyze and set energy policy; broaden public participation in energy sector reforms; eliminate subsidies to rationalized energy prices; and increase investment in environmentally friendly energy production and use.

Inputs, Outputs, Activities:

FY 2004 Program:

Accelerate implementation of key energy sector policy and legal reforms (\$600,000 ESF). USAID will fund technical assistance and training for the implementation of new oil and gas, electricity and geothermal energy laws. These laws were drafted with USAID assistance. USAID will assist with the establishment and initial operation of the independent Regulatory Board for downstream oil and gas operations and Electricity Market Supervisory Board. Technical assistance will build the capacity of national, regional and local governments to implement new energy laws and regulations, and implement decentralization policies in the energy sector. USAID advisors will work with government and non-governmental institutions to help Indonesia achieve its planned elimination of all energy subsidies (except for electricity and kerosene) in 2004, including efforts to help the public understand why prices will rise. As part of the President's Digital Freedom Initiative, USAID may fund technical assistance, training and equipment to support the Ministry of Energy and Mineral Resources in developing IT systems to support the energy sector reform. Partners include Advanced Engineering Associates International (prime), and Institute for International Education (prime).

Increase investment in environmentally friendly energy production and use (\$400,000 ESF). USAID will expand its assistance to improve the capacity of regional universities and local governments in six additional provinces. This will be accomplished through training which helps them better understand their role in managing the energy sector under regional autonomy. USAID will continue to provide targeted assistance in renewable energy development, the efficiency and performance of existing electricity generating facilities, demand side efficiency and greenhouse gases reduction. Partners include Albany Research Center, U.S. Department of Energy (prime), Winrock International (prime), International Council for Local Environmental Initiative (sub) and the Indonesian Foundation of Environment Management (sub).

A public-private alliance initiated with funding from the USAID Asia and Near East Bureau will focus on reducing air pollution through efficiency improvements within the public bus system, reduced reliance on private cars, and the introduction of cleaner public buses. Partners include the Institute of Transportation and Development Policy, Pelangi Indonesia (Indonesia Rainbow), the Transportation Research and Injury

Prevention Program, the Jakarta City Government, the Infrastructure Development Finance Company, and the Clean Air Initiative for Asian cities.

FY 2005 Program:

Accelerate implementation of key energy sector policy and legal reforms (\$600,000 ESF). USAID plans to fund technical assistance and training activities that build the capacity of national, regional and local governments to implement new energy laws and regulations. Continued assistance will manage market transitions and foster a favorable investment climate in the energy sector. Assistance will continue working with the government on further reductions of energy subsidies, implementation of targeted mitigation programs and development of alternative fuels for kerosene.

Increase investment in environmentally friendly energy production and use (\$400,000 ESF). USAID may expand the promotion of renewable energy development to improve and coordinate both supply and demand side management, and reduce greenhouse gasses and air pollution from transportation.

Performance and Results: USAID helped Indonesia take another major step in 2003 towards the reduction of energy subsidies. A price increase of 11% for refined petroleum products and 26% in electricity tariffs saved the state budget approximately \$780 million. USAID technical assistance resulted in the GOI drafting a Geothermal Law. Parliament completed its deliberation in September 2003, and the law is expected to be enacted in late 2003. USAID assistance resulted in the GOI developing numerous government regulations related to the Electricity Law passed in 2002. In collaboration with the State Electricity Company and regional universities, USAID assistance expanded regional energy forums in the provinces of Riau and East Kalimantan, South Sumatra and South Kalimantan and trained more than 200 local government officials and regional university lecturers on regional energy planning, electricity business and tariff setting.

US Financing in Thousands of Dollars

Indonesia

497-013 Energy Sector Reform	DA	ESF
Through September 30, 2002		
Obligations	7,323	0
Expenditures	1,477	0
Unliquidated	5,846	0
Fiscal Year 2003		
Obligations	1,000	0
Expenditures	3,014	0
Through September 30, 2003		
Obligations	8,323	0
Expenditures	4,491	0
Unliquidated	3,832	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	0	1,000
Total Planned Fiscal Year 2004		
Obligations	0	1,000
Proposed Fiscal Year 2005 NOA		
Obligations	0	1,000
Future Obligations	0	0
Est. Total Cost	8,323	2,000

Data Sheet

USAID Mission:	Indonesia
Program Title:	Basic Education
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	497-ZZZ
Proposed FY 2004 Obligation:	\$10,000,000 DA; \$10,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$17,000,000 DA; \$10,000,000 ESF
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2009

Summary: Based on the President's October 22, 2003 announcement in Bali of an Indonesian education initiative, USAID is developing a program that will improve the quality of basic education in Indonesia. The initiative will increase the number of children completing Indonesia's basic education requirements, improve student performance and provide students with an education that is more relevant to work and life. It will accomplish this through better local government capacity to plan and budget for education; greater community and private sector participation in school management; and enhanced teacher support and training that emphasizes active learning.

Inputs, Outputs, Activities:

FY 2004 Program:

Education management and governance (\$4,800,000 DA). The majority of work in this area will be technical assistance to local governments, communities and schools. Assistance will emphasize accountable and transparent budgeting and teacher-student-school performance that incorporates community participation and parental involvement. The technical assistance and training to local parliaments, local education offices, district education boards, and school management committees will define the roles, authorities, and capacities of education management units. Examples of assistance include education planning and management skills building such as teacher deployment; information management systems; materials supply; and school maintenance. To a lesser extent, the program will work at central policy levels to develop mechanisms for channeling increased levels of education funding to local governments.

Improving the quality of teaching and learning (\$5,000,000 DA; \$3,000,000 ESF). To build a supply of qualified teachers and strong links between training institutions and schools, assistance will be provided to schools and teacher training institutes. An emphasis will be placed on locally-supported, demand-driven in-service teacher training, improved teaching, and other training materials. Technical and training assistance will increase the quality and quantity of in-service teacher training. Activities will improve teachers' abilities to teach the new competency-based national curriculum, to increase the use of active learning methodologies and to improve student performance and school management.

Junior secondary and non-formal education for work and life skills (\$200,000 DA; \$3,000,000 ESF). USAID will provide formal and non-formal education opportunities that target junior high-aged youth who are out of school or at risk of dropping out. USAID will seek to mobilize public and especially private resources, through public-private alliances, to provide formal and non-formal education opportunities that enable youth to compete better for jobs and develop the skills needed to contribute to Indonesia's development.

U.S. State Department Programs (\$4,000,000 ESF). Funds will be transferred to the State Department for the Public Affairs Education Program.

All implementing partners are to be determined.

FY 2005 Program:

Education management and governance (\$6,900,000 DA). Building upon activity implementation in the first year, activities such as assistance education planning and management skills building, information management systems, materials supply, and school maintenance will expand in both scope and coverage.

Improving the quality of teaching and learning (\$8,500,000 DA; \$3,000,000 ESF). Building upon activity implementation in the first year, activities to build a supply of qualified teachers and strong links between training institutions and schools will expand in both scope and coverage.

Junior secondary and non-formal education for work and life skills (\$1,600,000 DA; \$3,000,000 ESF). Building upon activities implemented in the first year, activities to provide formal and non-formal education opportunities that enable youth to compete better for jobs and develop the skills needed to contribute to Indonesia's development will expand in both scope and coverage.

U.S. State Department Programs (\$4,000,000 ESF). Funds will be transferred to the State Department for the Public Affairs Education Program.

Performance and Results: This is the first year of implementation. No results available.

US Financing in Thousands of Dollars

Indonesia

497-ZZZ Basic Education	DA	ESF
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2003		
Obligations	0	0
Expenditures	0	0
Through September 30, 2003		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	10,000	10,000
Total Planned Fiscal Year 2004		
Obligations	10,000	10,000
Proposed Fiscal Year 2005 NOA		
Obligations	17,000	10,000
Future Obligations	0	0
Est. Total Cost	27,000	20,000